Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20054

In the Matter of		
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Schools and Libraries Universal Service	)	CC Docket No. 02-6
Support Mechanism	)	FCC 08-180

Vbrick Inc., Comments to the Federal Communications Commission; Draft of Eligible Services List for Schools and Libraries Universal Service Mechanism

1. INTRODUCTION

On July 31, 2008, the Federal Communications Commission ("FCC") released a request for comments on the Eligible Services List ("ESL") for the Universal Service Fund program known as E-Rate, beginning in Funding Year 2009.

Specifically, the FCC seeks comment regarding the Universal Service Administrative Company's ("USAC") proposed changes to the ESL.

Some of the changes and modifications proposed in the draft ESL may require changes to the current E-Rate program rules, although it is not the intent of the ESL to be a 'vehicle for changing any eligibility rules'.[1]

In this comment, VBrick responds specifically to one of the proposed ESL changes:

"a clarification that Video On-Demand servers are not eligible for discounts"[2]

Video On-Demand ("VOD") servers should be eligible for E-Rate discounts, and it is the purpose of this comment to provide the FCC with our reasoning as to why VOD servers should continue to receive E-Rate discounts.

[1] FCC 08-180; Commission Seeks Comment on Draft Eligible Services list or Schools and Libraries Universal Service Mechanism, released July 31, 2008
[2] *id.*

2. Company Background

VBrick Systems is the world leader of live, online-networked video solutions. Headquartered in Wallingford, CT, VBrick is a privately held company that has enjoyed rapid growth by helping our customers successfully implement mission critical video applications throughout their enterprise.

Since it's founding, VBrick has been setting the standard for quality, performance, and innovation in the delivery of live and stored Video over IP ("IPTV") networks. Offering the most comprehensive suite of enterprise video products in the industry, VBrick systems enable customers to capture and deliver live streaming video over any network. This system is ideal for distance learning applications within the educational community.

VBrick is happy to have the opportunity to respond to the FCC's request for comments.

3. DISCUSSION

A. Video On-Demand

The draft ESL requests clarification that Video On-Demand servers are not eligible for discounts. In other words, the draft ESL seeks to place VOD servers on the "Ineligible Servers" list, subsequently making VOD servers ineligible for future E-Rate funds.

The currently approved ESL does not list VOD servers as ineligible.[3] Hence, schools and libraries have applied for, and received, E-Rate funds for VOD servers in prior funding years.

There are several beneficial educational applications for VOD servers, such as:

[3] Universal Service Administrative CompanySchools and Libraries Eligible Services List for Funding Year 2008.

- Distance Learning – pre-recorded information from lectures, seminars, and other educational curricula that is internal to the school.
- Real-time viewing of information.
- Emergency alerts, pre-recorded announcements, special events.
- Reduced bandwidth requirements.
- Content control by school administrators.

These VOD server applications meet the educational requirements as defined by the FCC and the Code of Federal Regulations.[4]

VOD servers are currently eligible. Therefore, removing VOD servers from the ESL would greatly reduce the amount of valuable educational resources for the teacher and the student. Moreover, students and teachers would be confined to browsing the Internet for useful video content.

VOD servers meet the educational goals as set forth section 254(h).

Distance Learning

Distance Learning is a field of education that focuses on the technology and instructional systems design that aim to deliver education to students through technology that allows teachers to communicate and exchange ideas at anytime. This instruction is often in the form of pre-recorded information, lectures, and other educational content (sources from existing educational broadcast such History Channel, Discovery Channel, Learning Channel, etc.) providing an enriched learning environment.

On its own webpage, the FCC promotes Distance Learning, stating in part;

"Distance learning is an Internet teaching environment where the student and the teacher are not in the same room, building, or even the same city. Distance learning is used in all areas of education…"[5]

Without VOD servers the teacher and student would rely on each particular video hosting service to determine if and when the video content is available, as well as require a substantial bandwidth

[4] 47 C.F.R. 54.500(b)

[5] FCC webpage; 'Internet Resources'

requirement in order to view the video. Moreover, the video content must be from a reliable source as to not infect the entire network with viruses, or inappropriate content.

VOD servers provide and maintain true Distance Learning applications.

Content Controls – CIPA compliant

E-Rate applicants are required to certify that they are enforcing a policy of Internet safety as defined by NCIPA, and that their policy of Internet safety also includes the use of a "technology protection measure."[6]

An important feature of VOD servers is the ability to allow the applicant (school or library) to adequately monitor and distribute video content to the students. While technology exists to provide certain controls over content "streamed" from the Internet, it is impossible for any content filter to determine if a video downloaded from the Internet contains information that is useful to the educational needs of the applicant.

VOD servers allow schools and libraries to control 100 percent of the content that is delivered and viewed by students in the classroom. This content control assists the schools and libraries to monitor and control Internet content as defined by the Children's Internet Protection Act ('CIPA').[7]

VOD servers ensure compliance with CIPA mandates in assisting applicants with the ability to control video content.

Centralized Video Components and the current Eligible Services List

The current ESL provides for the eligibility of Centralized Video Components, as does the draft proposed ESL for Funding Year 2009.[8]

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[6] Federal-State Joint Board on Universal Service, CC Docket No. 96-45; FCC 03-188

[7] 47 C.F.R. 254(h)(5), *See also Federal-State Joint Board on Universal Service, Children's Internet Protection Act, CC Docket No. 96-45, Report and Order, (2003), (CIPA Order)*

[8] Schools and Libraries Support Mechanism Eligible Services List for Funding Year 2009 – Page 19

Specifically the ESL states that:

"Centralized video components necessary to transport information all the way to individual classrooms or public areas of a library are eligible."

These types of systems, which the ESL refers to as centralized video components, are commonly known as CATV (Cable TV) or MATV (Master Antenna TV) distribution systems. Typically these broadband systems are single directional systems or "one way", and only capable of the transmission of information with little or no user interface and/or interaction.

VOD servers provide truly interactive IPTV technology, enabling the user to request video content at will. **VOD servers are the next generation of centralized video distribution and provide the applicant with more advanced features, applications and control.**

Currently Eligible

For the past several years, VOD servers have been eligible, and therefore applicants have applied for and received funding for VOD servers. Removing the eligibility of VOD servers by placing them on the "ineligible server" list will leave those applicants who have deployed this technology at a disadvantage. Many of the applicants who have used E-Rate funds for their VOD servers have installed physical connectivity to the classroom to support the VOD servers. If VOD servers are deemed ineligible much of this infrastructure may go unused in the future.

Other useful purposes of VOD servers

With the unfortunate rise in school violence and crime, many schools and school districts are looking at technology to provide alerts and information to students, teachers, and administrators. **Perhaps the most important ancillary feature of VOD servers are their ability to provide emergency alerts, pre-recorded announcements, events, etc.**

Specific educational assets (e.g. DVD's, video's, etc.) are available and stored in a single location. This allows the applicant to immediately view its library of videos, as well as maintain adequate inventory controls.

VOD servers allow for real-time viewing of video content, without having to stream and/or buffer across the Internet, thereby reducing the need for high bandwidth allocation/requirements.